

Deutsche Bank



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Aug. 26, 2002

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

SUPPL

Paul Martin  
Vice President  
Corporate Trust and Agency Services  
Global Equity Services / Depositary Receipts  
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Re: Brazil Realty SA - Information Pursuant to Rule 12g3-2(b)  
under the Securities Exchange Act of 1934



02049620

Ladies and Gentlemen:

This letter and the attached documentation, as provided by Brazil Realty SA, are being furnished to the Securities and Exchange Commission (the "SEC") in connection with the current exemption from Section 12(g) of the Securities Exchange Act of 1934 (the "1934 Act") afforded by Rule 12g3-2(b) thereunder afforded to Brazil Realty. The SEC file number relating to such exemption is 82-4454.

Please confirm to the undersigned that the enclosed materials have been received in good order and that such materials are sufficient to satisfy the requirements contemplated under Section 12 (g). I have attached a SASE for this purpose.

Thank you.

Sincerely,

Paul Martin  
Vice President  
Deutsche Bank Trust Company Americas  
As Depositary

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Attached:

- Second Quarter 2002 Results

# BRAZIL REALTY

## More Information:

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## BRAZIL REALTY S.A. Announces Second Quarter Fiscal Year 2002 Results

August 15, 2002 - **Brazil Realty (Bovespa: CYRE4 --- ADR: BZEGY)**, one of Latin America's leading real estate companies, announced results for the Second Quarter Fiscal Year 2002, ending June 30th, 2002.

**TOTAL REVENUE** for the three-month period totaled **R\$ 35.3 million** and **R\$ 73.9 million** for the all of 2002.

**NET INCOME** for 2QFY was **R\$ 6.7 million (R\$ 0.835 per GDS)** and **R\$ 17.6 million (R\$ 2.205 per GDS)** for the all of 2002.

## Message to the shareholders

### Macroeconomic Scenery

Second quarter economic activity was negatively effected by the scandals involving several large American corporations and uncertainty surrounding Brazil's presidential election. These factors contributed to a reduced capital inflow in Brazil, negatively impacting foreign exchange and interest rates.

### Operating Performance

#### *In the Real Estate Development Segment*

Brazil Realty's sales for the first half of 2002 totaled R\$ 38.1 million, against R\$ 48.5 million for the same period of 2001. The company launched four new developments during the first six months of the year: Chateau de Blois (Divino Salvador) with 6 units sold (22% of the total); Chateau de Belcastel (Pintassilgo) with 5 units sold (22% of the total); Lagoa Privilege with 3 units sold (17% of the total) and the residential Jardim du Park with 43 units sold (51% of the total).

#### *In the Office Building Segment*

The company continued "Triple A" office construction (Faria Lima Financial Center, JK Ave. 1203, Corporate Park and Faria Lima Square).

### Investments

Brazil Realty, searching for growth and expansion into new markets, acquired parcels of land in São Paulo and Rio de Janeiro for future development. Several projects are currently being developed and scheduled to be launched in the second half of this year.

## Second Quarter Highlights

### REAL ESTATE DEVELOPMENT SEGMENT

- In April, 2002, Chateau de Blois was launched, a luxury-housing project that will be constructed in a very wooded region of Moema District, in São Paulo City. It has 26 units with useful area of 250 sqm, plus a duplex unit. Brazil Realty's share is 23.75% in this project.
- In May, Chateau de Belcastel, a luxury residential project, was launched in the same region of the Moema District, near Ibirapuera Park, in São Paulo. It has 22 units with useful area of 319 sqm, plus a duplex unit. Brazil Realty's share is 48.75% in this project.
- In May, the residential Jardim of the Park was launched. The luxury project will be constructed on Industrial Ave., one of the most important streets of Santo André City and has 3 towers with a total of 84 units with useful area of 168 sqm each. Brazil Realty's share is 23.75% in this project.
- In line with its intention to expand into new markets, Brazil Realty launched Lagoa Privilege in May. The high-class residential Project will be built in Lagoa, one of most exclusive districts in Rio de Janeiro. It has 17 units, with 268 sqm, plus double unit. Brazil Realty shares 28.5% of this project.

### *New Investments:*

- On Deputado Laércio Corte Street (lote 3C), Panamby district (SP), the company acquired a 5.722 sqm. parcel of land. Brazil Realty's share is 60%.
- On Americas Ave. in Rio of Janeiro's capital, Barra da Tijuca district, the company acquired a parcel of land with 90,000 sqm where a large residential project is planned in response to the increasing demand in one of the most exclusive districts of Rio de Janeiro. This Project will generate sales of R\$ 400 million and will be launched in the next 3 years. Brazil Realty shares approximately 30% of the project.

### OFFICES

The company continued the construction of these buildings: Faria Lima Financial Center, Corporate Park and JK Ave. 1203.

## RECENT DEVELOPMENT

A floor of Brasilinvest office building was sold. This floor is among six in the building with the remaining five rented. The sale will contribute to next quarter's results.

**Operational Portfólio in 06/30/2002 - DEVELOPMENTS**

DEVELOPMENTS (a)	Launched	Number of Units	Units sold on 1Q2002	Units sold (Accumulated)	% Built on 1Q2002	% Built (Accumulated)	B.Realty Stake
THE FIRST	JAN/97	209 (b)	2	207	0,0%	100%	25,00%
ITC	AUG/97	560	0	557	0,0%	100%	75,00%
CAESAR TOWERS IBIR.	MAR/98	206	0	202	0,0%	100%	75,00%
MELIÁ JARDIM EUROPA	MAY/98	322	0	320	0,0%	100%	100,00%
COMFORT SUITES OSCAR FREIRE	MAY/98	204	0	197	0,0%	100%	75,00%
BELA CINTRA L. STAY	FEB/99	334	0	331	3,9%	99,6%	22,50%
PIAZZA DELLO SPORT	APR/99	316	2	311	0,0%	100,0%	13,50% (c)
PLACE VENDÔME	MAY/99	42	0	42	12,2%	94,5%	75,00%
CLASSIQUE KLabin	MAY/99	88	3	87	7,8%	97,8%	100,00%
WORLD CLASS L. STAY	JUN/99	276	1	272	14,1%	94,1%	55,50%
MELIÁ CAMPINAS	FEB/00	308	1	296	16,8%	55,2%	50,00%
HÍPICA HOUSE	MAR/00	80	1	80	15,8%	75,1%	37,50%
CHATEAU DU PARC	MAR/00	42	1	41	19,0%	73,6%	50,00%
IPIRANGA PREMIUM	APR/00	208	18	187	14,4%	57,7%	50,00%
PERDIZES PROJECT	APR/00	88	3	83	18,3%	83,5%	75,00%
PERDIZES PRIVILEGE	JUL/00	42	0	41	20,3%	79,2%	75,00%
ABC IBIS E MERCURI	SEP/00	306	18	230	9,0%	17,8%	18,50%
CHATEAU DE TOCQUEVILLE	FEB/01	19	2	18	6,0%	10,4%	50,00%
LES JARDINS	MAY/01	192	11	150	6,3%	10,6%	25,00%
FLORES DO CAMPO	JUL/01	34	0	34	15,1%	20,1%	50,00%
HÍPICA BOULEVARD	JUL/01	33 (g)	2	25	1,9%	3,0%	33,25%
CAESAR B. BOTAFOGO (RJ)	JUL/01	110 (e)	0	110	8,4%	47,5%	28,50%
BOTAFOGO SPAZIO (RJ)	AUG/01	47 (f)	4	42	5,4%	19,0%	33,878%
PLACE DE LA CONCORDE (SP)	NOV/01	64	5	36	0,8%	1,8%	33,25%
VILLAGIO DE LA HÍPICA (SP)	NOV/01	22 (h)	3	17	0,6%	1,9%	33,25%
HOME STAY PAULISTANO	SEP/01	187 (d)	6	174	0,7%	1,8%	48,75%
CHATEAU DE BLOIS	APR/02	27	5	5	0,4%	0,4%	23,75%
JARDIM DO PARQUE	MAY/02	84	43	43	0,0%	0,0%	17,00%
LAGAO PRIVILEGE	MAY/02	18	3	3	3,0%	3,0%	28,50%
CHATEAU DE BELCASTEL	MAY/02	23	4	4	0,6%	0,6%	48,75%
L'ESPACE	OCT/01	44	1	18	13,1%	17,6%	25,0%
VERT SUPREME	JAN/02	13	13	13	0,0%	1,5%	50,0%

(a) Does not include the following properties: **Mondrian, Le Grand Klabin, Royal Klabin, The World, Universe e The Excellence**. All the aforementioned properties were sold out and their construction was completed before the period.

(b) 11 units, of 220 were converted into common use and are not available for sale.

(c) Brazil Realty has 13,5% of Gross Sales.

(d) 63 units were exchanged by the land.

(e) 7 units of 117 originals were exchanged.

(f) 1 unit of 48 originals was exchanged.

(g) 9 units of 42 originals were exchanged by land

(h) 6 units of 28 originals were exchanged by the land

## Operational Portfólio in 06/30/2002 - LARGE SLABS

	Acquisition Date	Total Área (sqm)	% Leased 06/30/02	Rent R\$/sqm/month	B.Realty Stake
<b>OFFICES</b>					
NOVA SÃO PAULO	DEC/94	12.485	70,4%	33,19	100,00%
COND. VERBO DIVINO	OCT/96	8.329	100%	34,47	100,00%
CENESP	OCT/97	2.844	100%	22,19	100,00%
BRÁSÍLIO MACHADO	JUN/97	10.585	89,1%	29,37	50,00%
BRASILINVEST	MAR/98	4.385	100%	36,78	100,00%
GARAGEM	APR/97	2.390	NA	7,10 (b)	100,00%
ABC OFFICE	SEP/98	5.572	100%	23,16	20,40%

OFFICES UNDER DEV.	Acquisition Date	Land (sqm)	GLA (sqm)	Construction Completion	% Built (Accumulated)	B.Realty Stake
SÃO PAULO PLAZA(vendido)	DEC/94	2.429	7.952	FEB/02	100%	100,00%
FARIA LIMA FIN. CENTER	OCT/97	6.918	27.242	NOV/02	79,4%	47,96%
CORPORATE PARK	JUL/99	4.523	17.219	NOV/02	66,7%	41,25%
FARIA LIMA SQUARE	MAY/01	4.825	18.000	APR/04	4,3%	12,54%
AV JK 1203	JUL/00	4.400	20.197	JAN/04	11,3%	44,55%

MALLS	Opening	GLA (sqm)	Stake (c)
ITM / CTI	JUN/96	5.263	36,41%
PAVILHÃO DE FEIRAS	JUL/98	38.357	36,41%
ABC PLAZA SHOPPING(with expansion) (d)	SEP/97	32.457	20,40%
AVENIDA INDUSTRIAL (JK)	NOV/99	23.536	34,00%

## Land Inventory in 06/30/2002

LANDS	Acquisition Date	Área (sqm)	Use	B.Realty Stake
CANINDÉ (D2)	JUL/99	29.167	MIXED-USE	22,50%
MORGADO DE MATEUS	SEP/00	1.619	RESIDENTIAL	48,75%
ARAGUARI/GRAUNA	SEP/00 - JUL/01	1.610	RESIDENTIAL	48,75%
JOAQUIM GOMES (Campinas - SP)	APR/00	1.062	RESIDENTIAL	50,00% (a)
NORTE E SUL (Campinas - SP)	APR/00	2.582	RESIDENTIAL	50,00% (a)
EMÍLIO RIBAS (Campinas - SP)	APR/00	1.642	RESIDENTIAL	50,00%
CARLOS KAYSEL (Campinas - SP)	JUN/00	1.400	RESIDENTIAL	50,00%
BARRETO LEME (Campinas - SP)	JUL/00	1.455	RESIDENTIAL	48,75%
JACU PÊSSEGO	JUL/97	48.400	MALL	100%
GEORGIA (Brooklin)	FEB/02	5.000	RESIDENTIAL	75%
PANAMBY (Lt 1)	MAR/02	11.374	RESIDENTIAL	60%
PANAMBY (Lt 3B)	MAR/02	5.722	RESIDENTIAL	60%
PANAMBY (Lt 3C)	MAY/02	5.722	RESIDENTIAL	60%
PANAMBY (Lt 23)	MAR/02	4.791	RESIDENTIAL	20%
AV DA AMÉRICAS (Galdeano) (Rio de Janeiro)	APR/02	90.000	RESIDENTIAL	30%

(a) - The Company owns options to buy the properties.

(b) - Based on a R\$ 17.000 per month flat rate rent.

(c) - Stake on the property. Brazil Realty has a 48,55% ownership interest in the controlling Investment Fund.

(d) - The expansion (phase 3) of the shopping ABC was inaugurated in October 2001

**BRAZIL REALTY S.A.**  
**Consolidated Financial Highlights**  
**For the period ending 06/30/2002**  
**(in thousands of Reais)**

In accordance with Brazilian Corporate Law

<b>INCOME STATEMENT</b>	<b>2Q02</b>	<b>2Q01</b>	<b>1S02</b>	<b>1S01</b>	<b>2001</b>
Revenues from Sales of Properties	30.513	27.629	64.621	58.688	140.569
Revenues from Resales of Properties	18	12.618	18	13.618	2.488
Revenues from Rental Properties	2.908	4.334	5.782	8.640	17.674
Revenues from Entry Fees	1.640	33	2.794	41	1.001
Revenues from Services	202	1.070	722	1.437	3.354
Taxes and Cancellations	260	(1.609)	(2.299)	(2.392)	(10.953)
<b>Total Revenues:</b>	<b>35.541</b>	<b>44.075</b>	<b>71.638</b>	<b>80.032</b>	<b>154.133</b>
<b>Total Costs</b>	<b>(16.157)</b>	<b>(23.274)</b>	<b>(31.786)</b>	<b>(39.931)</b>	<b>(79.708)</b>
<b>Gross Income</b>	<b>19.384</b>	<b>20.801</b>	<b>39.852</b>	<b>40.101</b>	<b>74.425</b>
Marketing Expenses	(3.444)	(8.001)	(6.875)	(11.153)	(22.349)
Administrative Expenses	(5.936)	(3.684)	(8.619)	(6.810)	(13.148)
<b>Operating Income (Loss)</b>	<b>10.004</b>	<b>9.116</b>	<b>24.358</b>	<b>22.138</b>	<b>38.928</b>
Financial Revenues (Expenses), Net	(2.173)	840	(2.404)	2.453	(2.737)
Results from Investments in Real Estate	-	(380)	-	-	(191)
Other Expenses / Revenues	(39)	578	(109)	(161)	891
<b>Pretax Income</b>	<b>7.792</b>	<b>10.154</b>	<b>21.845</b>	<b>24.430</b>	<b>36.891</b>
Income Tax	(46)	(810)	(826)	(2.175)	(4.030)
Minority Shareholder's	(1.081)	(1.459)	(3.429)	(3.098)	(4.885)
<b>Net Income</b>	<b>6.665</b>	<b>7.885</b>	<b>17.590</b>	<b>19.157</b>	<b>27.976</b>

<b>Balance Data Sheet</b>	<b>06/30/2002</b>	<b>06/30/2001</b>	<b>12/31/2001</b>
Cash and Marketable Securities	96.437	97.738	83.197
Account Receivables	184.720	166.801	206.877
Inventory - Real Estate	160.684	68.073	121.348
Recoverable income tax	15.944	12.991	14.378
Project Costs	1.364	2.864	1.426
Deferred Taxes and Contributions	12.148	3.139	10.091
Advance	469	41	315
Investments in Real Estate	2.040	36.400	2.290
Property & Equipment - Shopping	32.806	37.751	33.290
Property & Equipment - Offices	40.964	43.911	40.419
Other Assets	1.179	1.528	922
<b>Total Assets</b>	<b>548.755</b>	<b>471.237</b>	<b>514.553</b>

Land and Properties	34.769	19.660	19.626
Control of Budgeted Cost Payable	61.686	61.455	69.091
Deferred Net Income	48.347	40.875	45.169
Loans Payable	71.514	61.602	56.209
Taxes Payable	5.600	1.917	5.982
Partner's Venture Accounts Payable	21.994	4.114	18.292
Dividends Payable	1.714	1	20.000
Deferred Taxes	8.664	1.640	7.797
Provision for contingencies	20.681	9.791	18.901
Minority Shareholder's	10.312	11.495	10.665
Other	10.217	10.940	7.154
Shareholder's Equity	253.257	247.747	235.667
<b>Total Liabilities</b>	<b>548.755</b>	<b>471.237</b>	<b>514.553</b>

<b>Number of GDS</b>	<b>79.781</b>	<b>79.781</b>	<b>79.781</b>
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<b>Earnings per GDS</b>	<b>2,205</b>	<b>2,401</b>	<b>3,507</b>
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<b>Selected Ratios</b>			
Book value per GDS	3,1744	3,1053	2,9539
EBITDA (000)	32.260	39.673	64.372
EBITDA per GDS	4,0436	4,9727	8,0686
EBITDA/Net Income	1,8340	2,0709	2,3010
Depreciation	1.099	869	1.617
Financial Expenses	9.316	14.374	25.864